

Message Text

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PAGE 01 SANA 03312 240749Z
ACTION NEA-10

INFO OCT-01 EB-08 ISO-00 STR-04 /023 W
-----029093 240757Z /14
R 230500Z AUG 77
FM AMEMBASSY SANA
TO SECSTATE WASHDC 2182
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UNCLAS SANA 3312

E.O. 11652: N/A
TAGS: ETRD, YE
SUBJECT: NEW TENDER SYSTEM FOR MAJOR CONTRACTS?

BEGIN SUMMARY: FOR BACKGROUND, DEPARTMENT MAY BE
INTERESTED IN WHAT APPEARS TO BE NEW CONTRACT TENDER
SYSTEM FOR MAJOR GOVERNMENT CONTRACTS IN YAR. END
SUMMARY.

1. CHARGE SAW DEPRIMIN MUHAMMAD JUNAYD ON
3 AUGUST AND, IN COURSE OF DISCUSSION OTHER SUBJECTS,
ALLUDED TO PROBLEMS WHICH WE WERE HAVING IN GETTING
INFORMATION ON CONTRACTS.

2. CHARGE SAID THIS WAS NOT RPT NOT ENTIRELY MATTER
OF US COMMERCIAL INTEREST BUT REFLECTED APPARENT INABILITY
OF YARG TO CONTROL CONTRACTING FOR RISING FLOOD OF PROJECTS
FOR WHICH FUNDS ARE AVAILABLE IN YAR. MINISTERS WERE
LETTING CONTRACTS WITHOUT TENDERING THEM, OR TENDERS
WERE SO BRIEF AND INSUBSTANTIAL THAT WE FOUND IT
DIFFICULT TO GET INFORMATION TO AMERICAN COMPANIES.
SITUATION WAS CHAOTIC. BRIBERY HAD STARTED AND
WHILE IT WAS NOTHING LIKE RAKE-OFFS IN OTHER PENIN-
SULAR COUNTRIES -- AS FAR AS WE COULD SEE -- IT
WAS OMINOUS SIGN FOR COUNTRY WHERE POLITICAL AND
PERSONAL NEEDS STILL VASTLY OUTSTRIPPED FINANCIAL AND
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ADMINISTRATIVE CAPABILITIES. DEVELOPMENT IN YEMEN
SERVED KEY POLITICAL PURPOSE OF ESTABLISHING BASE OF
SUPPORT FOR YARG ON OTHER THAN NATIONAL, RELIGIOUS OR
SOCIAL BASES. DEVELOPMENT ALSO SERVED CRUCIAL
POLITICAL PURPOSE OF EXTENDING GOVERNMENT INTO TRIBAL
AREAS. IF CONTRACTING BECAME CHAOTIC OR PARALYZED, IT
WOULD BE SERIOUS SETBACK.

3. JUNAYD NODDED RUEFULLY AND SAID THAT SEVERAL CONTRACTS WHICH WERE ANNOUNCED RECENTLY-- A PORT IN MOCHA AND CEMENT PLANT NEAR TAIZ -- HAD THEREFORE BEEN ANNULLED BY CABINET BECAUSE OF IMPROPER TENDERING. CENTRAL PLANNING OFFICE (CPO) HAD BEEN INSTRUCTED SUBSEQUENTLY TO RELET THE CONTRACTS, BASED ON ABBREVIATED TENDER PROCESS. IN LATTER, SIX COMPANIES -- ONE WOULD ALWAYS BE US -- WOULD BE CONTACTED TO BID ON PROJECTS. FINAL APPROVAL WOULD BE BY NEWLY ENLARGED DEVELOPMENT COMMITTEE CHAIRED BY PRIME MINISTER AND INCLUDING DEPPM FOR ECO & FINANCIAL AFFAIRS (JUNAYD), MIN EDUCATION (IRYANI), MIN ECONOMY (JUBARI), MIN SUPPLY (MOHAMMED ABD AL-MALIK), CENTRAL PLANNING OFFICE HEAD (ARIQI), YEMEN BANK REPRESENTATIVE, AND MIN DEVELOPMENT (BASINDWA).

COMMENT: WHEN WE CHECKED WITH CPO, THEY KNEW NOTHING ABOUT NEW TENDERING SYSTEM OR CANCELLED CONTRACTS. THIS ILLUSTRATES PROBLEM WE ARE HAVING WITH COLLECTION INFORMATION ABOUT CONTRACTS, AND GIVES OME SUBSTANCE TO CONCERNS DISUCSSED IN PARA 2. IT IS ALSO PART OR REASON WHY WE ARE SEEKING NEW FSO SLOT IN EMBASSY FOR FOCUSSED ECONOMIC/ COMMERCIAL WORK, SEPARATE COMPLETELY FROM CONSULAR UNCLASSIFIED

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: GOVERNMENT REFORM, CONTRACTS, PROPOSALS (BID), PROGRAMS (PROJECTS)
Control Number: n/a
Copy: SINGLE
Sent Date: 23-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
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Format: TEL
From: SANA
Handling Restrictions: n/a
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Review Exemptions: n/a
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Review Release Date: n/a
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Subject: NEW TENDER SYSTEM FOR MAJOR CONTRACTS? BEGIN SUMMARY: FOR BACKGROUND, DEPARTMENT MAY BE INTERESTED IN WHAT APPEARS TO BE NEW CONTRACT TEND
TAGS: ETRD, PDEV, YE
To: STATE COM
Type: TE
vdkgvkey: odbc://SAS/SAS.dbo.SAS_Docs/1fcde55-c288-dd11-92da-001cc4696bcc
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